



City of Seat Pleasant, Maryland

PROPOSED BUDGET FY 2013

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Mayor's Transmittal Letter

April 2, 2012

I am pleased to present the proposed budget for the City of Seat Pleasant for Fiscal Year 2013 (FY 2013). The budget plots the course of the City for the coming year. After the inception of the new fiscal year on July 1, 2012, Seat Pleasant will be celebrating its 82nd Anniversary on May 4, 2013. Given, the challenging economic times we are in, this proposed budget takes great pains to provide our City residents with the services they expect and deserve from a, "City of Excellence". For us, the budget is intended to serve as a guide for our City operations for the next fiscal year, in accordance to the priorities that we have identified for the organization. While our budget is lean, it is not all gloom and doom, as we have been able to make strategic increases in areas that will help the City move forward, while watching the overall growth in our budget.

Given the problems we are facing in our current national recession, it has had a severe impact on our City budget. Property Tax revenues, which compose the largest part of our current budget at 32%, are expected to generate approximately 16.4 % less than last year. So, in order for us to spend within our means we had to make reductions in our operations, in order to present a balanced budget. Although, there are reductions in this budget, there is no increase in the City's tax rate for the Fiscal Year 2013 budget. Additionally, the budget aims to address the following strategic priorities agreed upon by the Council:

Key Strategic Priorities (2012-2013)

The following critical strategies will be pursued by the City of Seat Pleasant:

1. Manage City resources in an open, transparent and fiscally sound manner.
2. Enhance our public safety to reduce crime and improve the perception of the community.
3. Improve educational outcomes by partnering with local schools.
4. Increase focus on economic development to attract and retain quality businesses and community organizations.
5. Remain a sustainable *City of Excellence* and promote Seat Pleasant as a safe and green community.
6. Strengthen and improve community programs that will educate our residents.

The Fiscal Year 2013 expenditure budget is \$3,505,093, a decrease of \$326,615 compared to Fiscal Year 2012 of \$3,831,708. This represents an 8.5% decrease in the City's General Fund Budget. Listed below is a budget breakdown by activities that shows it's percentage of the Fiscal Year 2013 Proposed Budget.

Activity	Amount	Percentages
City Council		3.4%

	\$119,213.00	
City Clerk	\$69,387.00	2.0%
Mayor	\$57,644.00	1.6%
City Administration	\$434,265.00	12.4%
Economic Development	\$109,800.00	3.1%
Finance	\$234,207.00	6.7%
Public Safety	\$1,067,831.00	30.5%
Public Works	\$824,039.00	23.5%
Community Development	\$216,000.00	6.2%
Greendale Center	\$248,538.00	7.1%
Community Services	\$124,169.00	3.5%
Total	\$3,505,093.00	100.0%

Revenue Summary

Real Property Taxes have traditionally been the City's largest revenue source. As you know, the City of Seat Pleasant has had all of our property values reassessed by the Maryland State Department of Assessments and Taxation. Next year we have estimated our Property Tax Revenues at \$1,008,000. With this significant reduction, Personal Property Taxes are now our largest revenue source at \$1,044,071. Personal Property Taxes are the taxes paid by businesses on the property and inventory they own in the City. This is a significant development for the City and our residents, because this was the Council's intent when we set our Personal Property Tax rate, at its current rate of \$11.00 per 100 of assessed value of inventory and equipment. We wanted our business community to contribute to the City's coffers, as well, which will help reduce the City's reliance on Real Property Tax revenues.

This year we have also utilized another source of revenue and that is funds from our Speed Camera Program. This program has allowed us to experience a significant reduction in speeding in our City and at the same time generate revenue that can only be used for public safety improvements. In the Fiscal Year 2013 Budget we have proposed using \$324,000 from this funding source. This is an increase of \$144,000 from the current year budget.

As always, we have asked our staff to continue to focus on researching and applying for grant funds that will further help the City work toward achieving our strategic goals. While we are currently projecting less revenue from grant sources, we are confident that with the diligence of our staff we will see an increase in grant funds. The Fiscal Year 2013 budget has approximately \$511,842 budgeted in grant funds. This is a reduction of 7.5 %.

Expenditure Summary

During the budget development process all City departments and operations, were challenged with reducing their budgets by 10%. After reviewing all of the expenditure reductions, the City was able to achieve a total reduction of \$326,615. With these identified savings, we can make sure that our expenses are in line with our revenues and that we fund those items that are priorities for the City operations. In addition to these operational reductions, this budget also proposes the establishment of a central stores process for the ordering of supplies. It is intended to provide supplies and materials required and used in the operation of the city on a daily and more effective basis.

The City has been fortunate, that we have not had to furlough or layoff employees due to budget problems. The proposed budget continues that tradition and does not propose furloughs or layoffs. It does propose that we hold vacant two positions in the Police department until such time as we have additional funds to support the rehire of these positions or experience vacancies in other departments. These savings currently total \$95,527. Additionally, this budget also identifies savings in how the City budgets for the Feggans Center. This amount is \$256,501.

Additional new expenditures for personnel related items include the following: \$20,000 for a one-time employee bonus. This amounts to \$500 per employee. It allows the City to provide an employee bonus, which does not become a part of the employees' base salary and have to be sustained by the City in the future. The employee bonus along with the recently approved changes to our health insurance plans and Section 125 Cafeteria Plan will generate savings to the City of approximately 10.1% and positively influence our employees' take home pay. Additionally, employee training is important for our employees and this budget includes \$6,000 for employee development. The City Administrator and Human Resources Officer will develop a schedule of training that will impact all City employees from Customer Service to Time Management and Business Writing.

Staffing additions include salary adjustments for two employees in the Public Works Department at a cost of \$15,000. The budget does propose the addition of one position, which is a full-time Special Assistant to the Mayor with an annual salary cost of \$35,000.

There are also some areas where we have been able to use savings to address our strategic priorities. The budget proposes using \$39,000 to fund Special Projects in the Police Department to combat citywide issues that arise. Using funding from our Speed Camera Program that can only be used for public safety related expenses, will allow the City to directly target problem areas that our residents have identified with our Police Officers working special detail to address these quality of life issues and show a community presence.

In our Fiscal Year 2013 Proposed Budget, the City also identifies Capital projects that the City would like to prioritize. We have listed these items and as funding becomes available during the fiscal year, staff will begin to implement these projects. The identified projects total \$1,790,000. This is the first step for the City in establishing a comprehensive Five-Year Capital Improvement Budget.

Conclusion

As you know, the budget process is an annual process which includes participation by our department heads and staff. I would especially like to thank them for their commitment to the process, due to unusually tough conditions in this upcoming budget year. We have tried to balance cost reductions in our operations with, expenditures that help us achieve a balanced budget, address our strategic priorities and protect the long-term health and wealth of the City of Seat Pleasant. I would also like to thank the Council in advance for your careful consideration and approval of the Fiscal Year 2013 Budget for a City of Excellence.

MAYOR AND CITY COUNCIL
Line Item Format



A City of Excellence

***PROPOSED
FY 2013 REVENUES***

**CITY OF SEAT PLEASANT, MARYLAND
PROPOSED
FY2013 REVENUES BUDGET**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2011 7 MONTHS ACTUAL	FY 2012 PROPOSED BUDGET	FY 2012 7 MONTHS ACTUAL	FY 2013 PROPOSED BUDGET
TAXES					
4000.00	Real Property Taxes	1,293,089	1,205,507	1,293,428	1,008,000
4001.00	Personal Property Taxes	808,079	1,044,071	520,201	1,044,071
4000.50	Penalties & Interest	2,600	10,456	3,055	10,456
4000.10	Tax Credit – Excess Credit (A)	-4,200	-4,200	-4,200	
4003.00	Admission & Amusement		500	36	500
4010.00	Highway – Shared User	11,014	44,697	13,435	29,013
4015.00	Police – State Aid	30,356	96,524	30,356	96,524
4005.00	Income Taxes	84,308	150,000	93,550	150,000
Subtotals		2,225,246	2,547,555	1,949,861	2,338,564
LICENSES & PERMITS					
4323.00	Liquor License		700		700
4321.00	Business & Traders License	15,350	60,000	17,025	60,000
4313.00	Building Permits	145	500	3,501	1,000
Subtotals		15,495	61,200	20,526	61,700
4310.00	Comm. Dev. Block Grant	191,211	216,000	216,000	216,000
4220.00	County Business Licenses		1,000		1,000
4110.00	County Bank Stock Tax		2,563		2,563
4105.00	County Disposal Fee	7,472	14,944	7,472	14,944
4359.00	LLEB				0
4364.00	C/Safe Grant	21,126	92,335	19,818	92,335
4366.00	Livable Communities				0
4367.00	Bus Shelter Grant	1,217	5,000		5,000
4370.00	NR Grant	3,753	3,753	3,753	0
4373.00	Community Legacy	68,000	100,000	92,000	100,000
4401.00	Open Space	58,398	80,000	80,000	80,000
4402.00	Legacy Planning Grant	35,000	35,000	35,000	
Subtotals		386,177	550,595	454,043	511,842

**CITY OF SEAT PLEASANT, MARYLAND
PROPOSED
FY2013 REVENUES BUDGET**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2011 7 MONTHS ACTUAL	FY 2012 PROPOSED BUDGET	FY 2012 7 MONTHS ACTUAL	FY 2013 PROPOSED BUDGET
4601.00	Copier Fees and Notary Fees		50	85	100
4603.00	Sale of Maps & Publications		300	300	300
	Subtotals		350	385	400
4501	SPECIAL TRASH PICKUP		500	275	500
	Subtotal		500	275	500
	CABLE TV				
4334.00	Cable Fees	16,382	28,855	13,620	28,855
	Subtotal	16,382	28,855	13,620	28,855
	FINES AND FOREITURES				
4701.00	Parking Citations	4,333	10,000	984	25,000
4702.00	Housing Codes	22,150	45,000	565	55,000
4703.00	Seizure Funds		7,000	1,435	7,000
4704.00	Speed Cameras		180,000	180,000	324,000
	Subtotals	26,483	242,000	182,984	411,000
	REVENUES FROM INTEREST INCOME				
4800.00	Interest (B)	2,903	22,000	1,937	22,000
	Subtotals	2,903	22,000	1,937	22,000
4801.00	Rental Concession	0	0	0	0
	Subtotals	0	0	0	0

**CITY OF SEAT PLEASANT, MARYLAND
PROPOSED
FY2013 REVENUES BUDGET**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2011 7 MONTHS ACTUAL	FY 2012 APPROVED BUDGET	FY 2012 7 MONTHS ACTUAL	FY 2013 PROPOSED BUDGET
OTHER REVENUES					
4655.00	Vending Machines	400	500	500	700
	Subtotals	400	500	500	700
SALE OF LAND AND EQUIPMENT					
4625.00	Sale of General Fund Equipment				
4426.00	Sale of Seizure Fund Equipment				
	Total Revenues	2,673,086	3,453,555	2,624,131	3,375,561
	Total Expenditures	1,953,986	3,831,708	1,952,383	3,505,093
Other Financing Sources					
4900.00	Proceeds From Bond				
4902.00	Refuse Fund Payback ©	45,585	51,739	51,739	51,739
4903.00	Allocation from Fund Bal.(D)	12,935	163,906	163,906	
4904.00	Other Financing Source		162,508	162,508	77,793
	Total Revenues & Other Financing Sources	2,731,606	3,831,708	3,002,284	3,505,093

FOOTNOTES

A) TAX REDUCTION GIVEN TO HOMEOWNERS ON THEIR ASSESSMENTS WHEN IT EXCEEDS 15% OF PRIOR YEAR.

B) INTEREST ON INVESTMENTS

- C) MONIES OWNED TO THE GENERAL FUNDS FROM THE REFUSE FUNDS
- D) FUNDS ALLOCATED FROM FUND BALANCE



A City of Excellence

***PROPOSED
FY 2013 EXPENDITURES***



*Elected Officials
And
City Clerk*

**CITY OF SEAT PLEASANT, MARYLAND
PROPOSED
FY2013 EXPENDITURES BUDGET**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2011 7 MONTHS ACTUAL	FY 2012 APPROVED BUDGET	FY 2012 7 MONTHS ACTUAL	FY 2013 PROPOSED BUDGET
ELECTED OFFICIALS CITY COUNCIL					
5100.01	Salary	18,164	31,844	17,661	32,799
5000.01	Cost of Living		955	318	
5105.01	FICA	1,489	9,689	1,316	9,689
5110.01	Workmen's Compensation	62	109	64	109
5225.01	Training	8,720	30,100	10,843	30,100
5250.01	Association Dues	1,235	1,400	645	1,400
5253.01	Promotional Activities				800
5355.01	Insurance Public Officials	14,916	14,916	14,916	14,916
5450.01	Supplies		500	302	500
5500.01	Service Expense	14,700	25,200	14,700	25,200
5600.01	Telephones	1,485	3,000	1,750	3,000
5601.01	Constituent Services	93	700	125	700
Total		60,864	118,413	62,640	119,213

SALARY

This line item represents funds allocated for the salaries of the City Council members.

COST OF LIVING

This line item represents funds allocated for a 3% cost of living increase for the City Council members set by ordinance 88-01.

SERVICE EXPENSE

This line item represents funds allocated for the reimbursement of expenses incurred in carrying out of official duties

TRAINING

This line item represents funds allocated for the council members to attend the Maryland Municipal League and National League of Cities Conferences plus per diem, lodging, travel related to these conferences and mileage reimbursement in excess of 50 miles when personal vehicles are used.

ASSOCIATION DUES

This line item represents funds allocated to pay municipal and other association dues.

INSURANCE - PUBLIC OFFICIALS

This line item represents funds allocated for the protection of the City Council members in case of any litigation.

PROMOTIONAL ACTIVITIES

These funds are budgeted for the annual Tri-City meeting with Seat Pleasant, Capitol Heights and Fairmount Heights

TELEPHONES

This line item represents funds allocated for cellular communication equipment and monthly service.

CONSTITUENT SERVICES

This line item reflects funds allocated for activities in the city's wards.

SUPPLIES

This line item reflects funds allocated for the procurement of supplies needed to allow City Council members to conduct business.

**CITY OF SEAT PLEASANT, MARYLAND
PROPOSED
FY2013 EXPENDITURES BUDGET**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2011 7 MONTHS ACTUAL	FY 2012 APPROVED BUDGET	FY 2012 7 MONTHS ACTUAL	FY 2013 PROPOSED BUDGET
	ELECTED OFFICIALS CITY CLERK				
5100.02	Salary	27,062	45,506	25,455	46,871
5000.02	Cost of Living		1,365	787	
5105.02	FICA	1,939	3,586	1,914	3,586
5110.02	Workmen's Compensation	22	34	18	34
5112.02	Maryland Unemployment	215	221	209	221
5114.02	Health Insurance	1,774	3,500	2,042	3,500
5130.02	Election Expense		5,000		5,000
5250.02	Association Dues	175	175	175	175
5251.02	Notices	2,292	5,000	4,450	5,000
5277.02	Meeting	102	1,000	68	500
5450.02	Supplies	742	2,000	1,034	1,500
5600.02	Training	1,970	3,500	2,084	2,000
5975.02	Capital Outlay		2,000		1,000
Total		36,293	72,887	38,236	69,387

SALARY

This line item represents funds allocated for the salary of the City Clerk

COST OF LIVING

This line item represents funds allocated for cost of living increase for the City Clerk. No funds have been allocated for this in fiscal year 2013

Capital Outlay

This line item represents funds allocated for external hard drive, supplemental update of the City Code Replacement disk and City server.

ASSOCIATION DUES

This line item represents funds allocated to pay association dues.

NOTICES

This line item represents funds allocated to insure sufficient public notice and to meet legal requirements for City ordinances and resolutions, charter amendments, special meetings and hearings, and elections.

MEETINGS

This line item represents funds allocated to provide refreshments and other services for public meetings.

SUPPLIES

This line item represents funds allocated to provide for the procurement of office supplies incidental to the operations of the Office of the Clerk.

TRAINING This line item represents funds allocated for the City Clerk to attend the International Institute of Municipal Clerks, Municipal Clerks Association, Maryland Municipal League, and other professional conferences, training and local travel.

**CITY OF SEAT PLEASANT, MARYLAND
PROPOSED
FY2013 EXPENDITURES BUDGET**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2011 7 MONTHS ACTUAL	FY 2012 APPROVED BUDGET	FY 2012 7 MONTHS ACTUAL	FY 2013 PROPOSED BUDGET
ELECTED OFFICIALS					
MAYOR					
5100.03	Salary	3,831	7,152	3,318	7,367
5000.03	Cost of Living		215	72	
5105.03	FICA	275	564	329	564
5100.03	Workmen's Compensation	121	213	122	213
5500.03	Service Expense	2,400	3,600	2,100	3,600
5225.03	Training	1,094	4,300	669	4,300
5250.03	Association Dues	300	800		800
5253.03	Promotional Activities Expense	2,500	3,000	1,337	4,500
5355.03	Insurance Public Officials	700	700	700	700
5450.03	Office Supplies	109	600	180	600
6017.03	Contractual Services	15,000	10,000	833	35,000
5975.03	Capital Outlay				
Total		26,330	31,144	9,660	57,644

SALARY

This line item represents funds allocated for the following.

Mayor \$7,367

COST OF LIVING

This line item represents funds for the allocation of a 3% cost of living increase for the Mayor set by ordinance 88-01.

SERVICE EXPENSE

This line item represents funds allocated for the reimbursement of expense incurred in carrying out of official duties.

TRAINING

This line item represents funds allocated for the Mayor to attend the Maryland Municipal League, National League of Cities Conferences, Maryland Mayors and Black Mayor's Conference plus per diem, lodging, travel related to these conferences and mileage reimbursement in excess of 50 miles when a personal vehicle is used.

PROMOTIONAL ACTIVITIES EXPENSE

This line item represents funds allocated to promote the City of Excellence and includes the Legislative breakfast.

INSURANCE - PUBLIC OFFICIALS

This line item represents funds allocated for the protection of the Mayor in case of any litigation.

OFFICE SUPPLIES

This line item represents funds allocated to provide for the procurement of office supplies incidental to the operation of the Office of the Mayor.

CONTRACTUAL SERVICES

This line item represents funds allocated for a full-time assistant on a contractual arrangement.